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SIPDIS

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TAGS: IS_KMDR MEDIA REACTION REPORT
SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

- 11. U.S.-Israel Security Exports Crisis
- 12. Iran: Presidential Election
- 13. Democracy in Mideast

Key stories in the media:

On Sunday, Ha'aretz reported that during her visit to Jerusalem last week, Secretary of State Condoleezza Rice warned against continued construction in the territories. Ha'aretz reported that she told a senior Israeli official: "We don't want it to be a problem but it will." Ha'aretz quoted Rice as saying that alongside President Bush's April 14 letter to Sharon recognizing "existing Israeli settlement blocs" in the territories, the U.S. expected Israel not to create facts on the ground. She was further quoted as saying: "We can't be forced to accept changes in the status quo." Maariv reported that Rice told FM Silvan Shalom during her visit that she saw Israeli construction between Jerusalem and Ramallah, but that President Bush has determined that the final-status borders will only be determined through negotiations. The newspaper reported that Secretary Rice stressed the importance of making no changes in and around Jerusalem. Maariv reported that Rice refrained from expressing harsh criticism at her meetings with Sharon and Mofaz.

All media highlighted confrontations between settlers and security forces in the Gaza Strip on Sunday. Ten members of the security forces were wounded in the clashes. The IDF demolished abandoned buildings to prevent anti-disengagement protesters from using them as an outpost. An IDF soldier refused to participate in the demolition, defining himself as a "conscientious objector." This morning, leading media reported that young anti-disengagement activists in Gush Katif set up a protest outpost early Monday at the site of the clashes. Ha'aretz web site cited the IDF as saying that the settlers and media exaggerate in the description of the new illegal outpost. This morning, Israel Radio reported that the Yesha Council of Jewish Settlements has not obtained police approval for a demonstration during which drivers on major thoroughfares will be called to stop their vehicles and stand next to them for fifteen minutes. The event aimed at blocking traffic at major junctions throughout the country is scheduled to take place on Wednesday.

During the weekend, all media reported that two teenage settler boys were killed in a drive-by shooting incident next to the settlement of Beit Haggai, south of Hebron, on Friday.

On Sunday, Ha'aretz reported that PM Sharon and Defense Minister Shaul Mofaz agreed last week to comply with all American demands regarding the unmanned aerial vehicles (UAV) deal with China and changes in supervision of Israel's arms exports. Today, Ha'aretz quoted sources familiar with the draft agreement regulating the reporting of weapons sales that the U.S.-Israel accord will be worded in an equitable manner. The newspaper writes that the memorandum will state that the U.S. and Israel are "strategic partners" and that each country will be considerate of the other's concerns about military technology being transferred to other countries. The countries "arousing concern" will be specified separately. Under the agreement, to be termed "Declaration of Understanding on Technology"

Exports," both countries will undertake to maintain transparency regarding weapons sales to countries considered worrisome. Ha'aretz reported that, in addition to the agreement, Israel will give the U.S. a written commitment to tighten oversight on defense exports and put in place new mechanisms and regulations. Israel will introduce legislative amendments to increase enforcement and toughen punishment for selling arms in violation of regulations. The U.S. will recognize the fact that the legislation will take time.

On Sunday, leading media reported that the Palestinian Security Forces arrested 10 Fatah gunmen over the weekend on suspicion of participating in an armed attack on a PA police station in Jenin.

On Sunday, all media reported on Tehran Mayor Mahmoud Ahmadinejad's victory in Iran's presidential election. Referring to Ahmadinejad as a killer of the regime's political opponents, Yediot bannered: "Executioner Elected President." The newspaper quoted opponents to Ahmadinejad as saying that Israel now has a real reason to fear Iran. Today, Ma'ariv quoted Ahmadinejad as saying following his win: "Israel's existence is illegal." Israel Radio and other media quoted Mofaz as saying that Israel demands that Iran stop funding terror.

Jerusalem Post quoted Palestinian sources as saying that leaders of Hamas and other Palestinian radical groups in Lebanon and Syria are planning to move to the Gaza Strip after Israel evacuates the area. The newspaper also quoted an IDF source as saying on Sunday that Hamas is using the lull in fighting to raise an "army" of several thousand fighters in the Gaza Strip to complement its developing arsenal of Qassam rockets and mortars.

Leading media reported that on Friday, a council of the worldwide Anglican Communion unanimously urged its member churches to put pressure on companies linked to Israel's occupation of the Palestinian territories, including possibly divesting their money from such businesses.

All media reported that on Sunday, the Labor Party Central Committee voted to delay the party's leadership race indefinitely.

Ha'aretz reported that Russia's state prosecutor has ordered an examination of Shulhan Arukh -- a code of Jewish religious law compiled in the 16th century -- to ascertain whether it constitutes racist incitement and anti-Russian material. The newspaper quoted Jerusalem sources as saying this is the first time since Stalin's regime that Russian officials have described holy Jewish scriptures as incitement.

11. U.S.-Israel Security Exports Crisis:

Summary:

Independent, left-leaning Ha'aretz editorialized: "The foul-up regarding the Chinese-America issue is a serious one. It reflects mismanagement, at the director-general and ministerial level, of Israel's defense policy in the most sensitive and complex of fields."

Block Quotes:

"The China Syndrome"

Independent, left-leaning Ha'aretz editorialized (June 27): "Ever since the middle of the past decade, China, as a power, has become the biggest threat to America's universal supremacy.... This information was readily available to every newspaper reader. And it was well absorbed at the Israeli Embassy in Washington and the Foreign Ministry in Jerusalem. In only one place was it given very little thought, and if it was given any at all, its significance was belittled: at the Defense Ministry in Tel Aviv.... [Defense Minister Shaul] Mofaz has been in his post for almost three years, and has yet to realize a single lofty declaration concerning his plans to change the face of the ministry. It appears that the director general of the Defense Ministry is also directing the minister above him. The Pentagon hinted to Mofaz in no uncertain terms that as long as Yaron continues to serve in his post, a cool wind will blow between the two defense establishments and reflect also on other aspects of relations between

the two countries. There was no indication in the field that Mofaz got the message. Yaron remained in his post and the cold wind continued to blow, until last week when Washington brought out the big guns, in the shape of Secretary of State Condoleezza Rice and spokesmen for Defense Secretary Donald Rumsfeld. Only then did Mofaz wake up to hasten the lazy handling of the affair, to spur on his envoys outside the ministry to come to an agreement with the U.S. administration.... The foul-up regarding the Chinese-America issue is a serious one. It reflects mismanagement, at the director-general and ministerial level, of Israel's defense policy in the most sensitive and complex of fields."

12. Iran: Presidential Election:

Summary:

Military correspondent Alex Fishman wrote in mass-circulation, pluralist *Yediot Aharonot*: "At least one positive thing will come out of these elections: the West will no longer be able to hold on to the illusion of a reformist regime in Iran."

Block Quotes:

"Worrying Surprise"

Military correspondent Alex Fishman wrote in mass-circulation, pluralist *Yediot Aharonot* (June 26): "Mahmoud Ahmadinejad's surprising ascent to Iran's presidency is a gloomy testimony to the fact that Israel isn't sufficiently familiar about what's going on in Iran. That very surprise is a very worrying mishap, since Iran represents the key strategic threat to Israel, and that a situation in which a president is elected in Iran, and Israel and the West are surprised, is inconceivable.... The new Iranian regime will sharpen its view on the issue of the Israeli-Palestinian conflict.... Hizbulah's extremist conduct ... will become more forceful.... The Iranians will again try to ... drag their feet [in the matter of their nuclear program]. Will the Americans continue [to grant Europe a negotiating role]? Today, the Americans mainly chitchat about democratization in Iran. Perhaps the results of the elections will shake them up. At least one positive thing will come out of these elections: the West will no longer be able to hold on to the illusion of a reformist regime in Iran, which ought to be encouraged and brought closer. Starting today, there is a clear division between the 'bad ones' and the 'good ones.' The new regime in Iran won't renounce its nuclear program; it won't even have to pretend."

13. Democracy in Mideast:

Summary:

Senior Middle East affairs analyst Zvi Bar'el wrote in independent, left-leaning *Ha'aretz*: "The concern is that the more the U.S. exerts itself in spreading democracy, the greater the opposition will be to what it represents."

Block Quotes:

"Interim Report Card For Condoleezza"

Senior Middle East affairs analyst Zvi Bar'el wrote in independent, left-leaning *Ha'aretz* (June 26): "[Secretary of State Condoleezza Rice's] words about the charms of democracy in Iraq seem like the description of the successful makeup on a corpse in a coffin. But Iraq is just an example of the way in which ideology dictates policy. It is indisputable that democracy is a worthy goal, but this goal cannot be used to justify a war of this magnitude, with so many killed, with such destruction of infrastructure, and without any confidence that the Iraqi government, beyond the show of elections, will ultimately be democratic.... Herein lies the reason for concern: alongside the praise for democracy, a new American attitude is developing: countries like Egypt and Syria must be compelled to adopt American ideology, while

other countries like Kuwait and China are allowed to pick and choose.... This is a sweeping conception very reminiscent of the Cold War, when the world was divided -- especially by the U.S. -- into the West versus Communism, liberty versus repression.... The problem is that because of the belligerent way in which it is being driven into the region, the vision of American democracy arouses fierce opposition among movements that are actually advocating for reform but do not want to appear to be acting according to an American diktat.... The concern is that the more the U.S. exerts itself in spreading democracy, the greater the opposition will be to what it represents, and the question before the public in Arab countries will not be democracy or repression, but between America and the local regime."

KURTZER